

ND RISK MANAGEMENT WORKERS COMPENSATION FUND

State Investment Board Balance Sheet As of 10/31/2008

	As of <u>10-31-08</u>	As of <u>6-30-08</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 599,316	\$ 1,054,641
DOMESTIC FIXED INCOME	1,134,050	1,907,002
INVESTED CASH (NOTE 1)	<u>60,118</u>	<u>94,366</u>
TOTAL INVESTMENTS	1,793,484	3,056,009
RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	6,350	5,654
MISCELLANEOUS RECEIVABLE	<u>5</u>	<u>6</u>
TOTAL RECEIVABLES	6,355	5,660
OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	72,721	105,814
OPERATING CASH	<u>102</u>	<u>389</u>
TOTAL ASSETS	<u><u>\$ 1,872,662</u></u>	<u><u>\$ 3,167,872</u></u>
LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	72,721	105,814
ACCOUNTS PAYABLE	10	27
ACCRUED EXPENSES	39	45
INVESTMENT EXPENSE PAYABLE	<u>4,648</u>	<u>4,648</u>
TOTAL LIABILITIES	77,418	110,534
NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	3,057,338	4,221,728
CASH IN DURING YEAR (NOTE 3)	0	0
CASH OUT DURING YEAR (NOTE 4)	850,000	1,000,000
NET INCREASE (DECREASE)	<u>(412,094)</u>	<u>(164,390)</u>
NET ASSETS AVAILABLE END OF PERIOD	<u>1,795,244</u>	<u>3,057,338</u>
TOTAL LIABILITIES & NET ASSETS AVAILABLE	<u><u>\$ 1,872,662</u></u>	<u><u>\$ 3,167,872</u></u>

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State Investment Board Profit and Loss Statement For the Month Ended 10/31/2008

	Month Ended <u>10-31-08</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 7,639	\$ 37,907
SECURITIES LENDING INCOME	193	960
	<u>7,832</u>	<u>38,867</u>
 GAIN ON SALE OF INVESTMENTS	 85,991	 276,607
LOSS ON SALE OF INVESTMENTS	<u>149,551</u>	<u>366,677</u>
 NET GAINS (LOSSES) INVESTMENTS	 (63,560)	 (90,070)
 INVESTMENT EXPENSES	 0	 4,657
SECURITIES LENDING EXPENSES	88	648
 NET INVESTMENT INCOME	 (55,816)	 (56,508)
 NET APPREC (DEPREC) MARKET VALUE	 (182,004)	 (356,416)
MISCELLANEOUS INCOME/(EXPENSE)	<u>(2)</u>	<u>1,100</u>
 TOTAL INVESTMENT INCOME	 <u>(237,822)</u>	 <u>(411,824)</u>
 DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	20	270
 NET INCREASE (DECREASE)	 <u>\$ (237,842)</u>	 <u>\$ (412,094)</u>

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Notes To Financial Statements
October 31, 2008

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Cash invested in a money market demand account at the Bank of North Dakota.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust during the current fiscal year.

NOTE 4 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust during the current fiscal year.